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## **Arizona House leaders say fix means borrowing**

PHOENIX - Top House Republican leaders said Wednesday they accept that Arizona will need to borrow for school construction to help fill a big budget shortfall but added that deeper and broader spending cuts also are needed to erase the deficit.

Significant differences remain but that new public stance represents a significant development in efforts by lawmakers and Democratic Gov. Janet Napolitano to move toward agreements to erase \$3 billion of projected shortfalls in the budgets for the current and next fiscal years.

In another development in what top state officials are now calling a crisis, Treasurer Dean Martin put a spotlight on the projected \$1.2 billion shortfall in the current \$10.6 billion budget.

Martin, a Republican statewide elected official, drew a dismissive rebuke from Napolitano after he released a forecast that the general fund will run out of cash to spend as early as roughly a month from now without corrective action in the meantime.

On the borrowing issue, debt-averse Republican lawmakers have resisted Napolitano's proposal for approximately \$400 million of financing for school construction to free up cash to protect spending for classroom operations and other priorities.

House Speaker Jim Weiers, R-Phoenix, and House Majority Leader Tom Boone, R-Peoria, said the severity of the budget problem will require borrowing because of spending cuts.

**By PAUL DAVENPORT/Associated Press**